

HOUSE BILL 768

By Campfield

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 4, relative to certain fund transfers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, is amended by adding Sections 2 through 3 of this act as new part.

SECTION 2. For the purposes of this part, "payment instrument" means a check, draft, warrant, money order, traveler's check or other instrument for payment of money, whether or not negotiable. "Payment instrument" does not include an instrument that is redeemable by the issuer in merchandise or service, a credit card voucher, or a letter of credit.

SECTION 3.

(a) There is levied on the sale of payment instruments that are purchased by a person who is not a citizen of the United States a privilege tax of twenty-five percent (25%) of the face amount of the payment instrument. Persons who do not present evidence of identification as provided in subsection (b) shall be presumed not to be citizens of the United States and shall be subject to the tax imposed by this part.

(b) Upon the purchase of a payment instrument, the purchaser shall exhibit evidence of identification of citizenship in the United States. "Evidence of identification" shall be:

(1) A Tennessee driver license;

(2) A valid identification card issued by a branch, department, agency or entity of the state of Tennessee, any other state, or the United States authorized by law to issue personal identification, provided that such identification card contains a photograph of the purchaser;

(3) A valid identification card issued pursuant to § 55-50-336;

(4) A valid United States passport;

(5) A valid employee identification card issued by a branch, department, agency or entity of the state of Tennessee, any other state, or the United States authorized by law to issue personal identification, provided that such identification card contains a photograph of the purchaser; or

(6) A valid United States military identification card, provided that such identification card contains a photograph of the purchaser.

(c) The commissioner of revenue shall administer and enforce the assessment and collection of the taxes levied by this part. All persons subject to the tax levied by this part are required to register with the department of revenue.

(d)

(1)

(A) The taxes levied under this part shall be due and payable monthly, on the first day of each month. For the purpose of ascertaining the amount of tax payable under this part, it shall be the duty of all dealers on or before the twentieth day of each month to transmit to the commissioner returns showing the purchase price arising from the purchase, use, importation for use, or consumption of the goods and services taxed pursuant to this part during the preceding calendar month.

(B) At the time of transmitting the return required by this subsection (d) to the commissioner, the dealer shall remit to the commissioner with the return of the amount of tax due. Failure to remit the tax shall cause the tax to become delinquent.

(2)

(A) The commissioner is authorized to prescribe all rules and regulations necessary for the administration of this part, and for the collection of the taxes imposed by this part.

(B) Rules and regulations not inconsistent with this part when promulgated by the commissioner, and approved by the attorney general and reporter, shall have the force and effect of law.

(3)

(A) When any person fails to file any form, statement, report or return required to be filed with the commissioner, after being given written notice of same, the commissioner is authorized to determine the tax liability of the person from whatever source of information may be available to the commissioner or the commissioner's delegates.

(B) An assessment made by the commissioner pursuant to subdivision (d)(3)(A) shall be binding as if made upon the sworn statement, report or return of the person liable for the payment of such tax. Any person against whom such an assessment is lawfully made shall be stopped from disputing the accuracy of the assessment, except upon filing a true and accurate return, together with such supporting evidence as the commissioner may require, indicating precisely the amount of the alleged inaccuracy.

(4)

(A) It is the duty of every person required to pay a tax under this part to keep and preserve records showing the gross amount of privilege tax owed to the state, and the amount of such person's sales of transfer instruments taxable under this part, and such other books of account as may be necessary to determine the amount of tax. All such books and records shall be open to

inspection at all reasonable hours to the commissioner or any person duly authorized by either of them.

(B) All such books and records shall be maintained by the taxpayer for a period of three (3) years from December 31 of the year in which the taxpayer is responsible for paying the tax on the transaction or transactions represented by the record.

SECTION 4. This act shall take effect July 1, 2007, the public welfare requiring it.